



7 VENDOR MANAGEMENT
7.10 Vendor Monitoring

Effective: 6/1/96
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POLICY: The WIC Program is required to conduct random on-site monitoring of not less than 10% of its authorized vendors each fiscal year. Each project will monitor a minimum of three vendors (unless the project has less than three authorized vendors).

PROCEDURE:

A. RANDOM MONITORING VISIT

The purpose of the random monitoring visit is to determine if the vendor is complying with the requirements of the Wisconsin WIC Program, and if store staff have been adequately trained on WIC Program procedures and requirements.

B. RANDOM SELECTION

The Vendor Management Unit will randomly select the vendors to be monitored and notify the local projects. Contact the Monitoring Coordinator if there are any problems with the vendors identified for random monitoring visits. Do not notify vendors that monitoring visits will be conducted.

C. TIMELINES

The deadline for filing random monitoring reports is **April 15th**. Follow-up monitoring is required when Class B offenses are identified at the random monitoring visit or when requested by the Vendor Management Unit. The deadline for filing follow-up reports is **June 15th**.

D. CONDUCTING MONITORING VISITS

1. Preparation for the monitoring visit
 - a) Check your supply of vendor materials to take on the monitoring visit. If you need additional supplies, complete the WIC Vendor Supply Form for Projects and send it to the Vendor Management Unit.
 - b) Review the vendor file to determine if there have been prior offenses or participant complaints in the current authorization period.
 - c) Items to take on the monitoring visit include:
 - (1) Most recent vendor ownership information
 - (2) Drafts and WIC ID folder for compliance buy



- (3) Current authorized food list and updates
 - (4) Wisconsin WIC Vendor Manual
 - (5) Vendor materials (e.g.- vendor supply order form, shelf talkers, WIC Accepted Here stickers, etc.)
 - (6) WIC Vendor Training Proof of Participation (DOH 4727)
 - (7) Vendor Monitoring Worksheet (DOH 4003)
 - (8) Guide for interpreting manufacturers' date coding information
2. Completion of the Vendor Monitoring Worksheet (DOH 4003) is required. Review the Worksheet carefully before beginning the monitoring process. See Attachments.
 3. The monitoring process includes:
 - a) Before entering the store, complete background information on page 1 of the Worksheet. Information on the person interviewed should be added at the end of the visit. Record serial number(s) of draft(s) used for the compliance buy.
 - b) Section 1: Review of Cashier Check-out Procedures. The compliance buy is a required portion of vendor monitoring. The compliance buy allows the cashier to demonstrate his or her knowledge of the proper use of WIC drafts.
 - (1) Determine a type of offense to "test" in the compliance buy. Select *one* of the following options:
 - (a) Attempt to buy unauthorized foods. Select foods that are clearly not authorized (e.g.- lemonade, frosted cereal). Avoid purchasing "tricky" items (e.g., unauthorized variation of authorized cereal, grape juice cocktail).
 - (b) Attempt to buy non-food items (e.g., diapers)
 - (c) Attempt to buy excess quantities of foods (e.g., at least 3 or more ounces of cereal or cheese than allowed on the draft). Do not use drafts that have reduced packages (e.g., use 36 oz. cereal draft, not 24 oz. cereal draft).



- (2) In addition to the above options, you may also attempt to use a draft that is prior to the first day to use or after the last day to use. Bring a second draft with proper use dates to complete the compliance buy.
- (3) Conduct compliance buy first. Pose as a WIC participant or have someone else conduct the compliance buy portion of the visit. Attempt to redeem a draft improperly to "test" compliance with program rules.
 - (a) Use a fictitious name on the draft. Document the draft number on the Monitoring Worksheet and note on the signature log to clearly show that the drafts were used for vendor monitoring.
 - (b) When possible, void the sale and draft at the conclusion of the monitoring visit. Attach the cash register receipt and draft(s) (if sale was voided) to the front of the Monitoring Worksheet.
 - (c) Observation or Role Playing. Role-playing or observation of a WIC participant using a draft should only be used when the WIC representative conducting the compliance buy is likely to be recognized by the vendor from previous contacts, or is at a military commissary.
 - (i) Observe a WIC transaction in the store.
 - (ii) If it is not possible to observe a WIC transaction, role-play with the cashier.
 - (iii) Incorrect procedures that are observed are offenses and should be noted.
- (4) Record findings and document any offenses on the Vendor Monitoring Worksheet. If a Class A offense(s) is found, leave the store and contact the Vendor Compliance Manager.
- c) Section 2: Questions to Ask of Person Interviewed. Interview the owner or manager (if neither is available, see the head cashier).
 - (1) Ask the owner's name and compare it to the application information. If there appears to be a change of ownership, consult with the state WIC Vendor Relations Manager to determine if ownership has changed.
 - (2) Complete the questions on store personnel and vendor materials.



- (3) Inquire whether “Rain Checks” are given when WIC authorized foods are not available. Inquire as to the procedures used when WIC authorized foods are not available.
- (4) Inquire whether the store’s employees have had any problems with the WIC Program or participants.
- (5) Record findings and document any offenses on the Vendor Monitoring Worksheet.
- (6) Complete information on the person interviewed and obtain signature of person interviewed (Page 1 of Worksheet).

d) Section 3: General Observations

- (1) Observe overall cleanliness and appearance of the store. Determine whether the vendor appears to be in violation of any health protection laws or ordinances of which you are aware (e.g., is refrigeration inadequate, is the store unclean, are there screens on open windows and doors, etc.). If you are not sure whether the vendor is in violation of any laws or ordinances, contact the Vendor Compliance Manager.
- (2) Check for "WIC Accepted Here" stickers which must be displayed where visible to participants. Provide any needed stickers and instruct the vendor to post them as required by the vendor agreement.
- (3) Check to see that WIC authorized food lists/cashier instructions are available for cashiers at each register. Provide any needed copies to the vendor.
- (4) Record findings and document any offenses on the Vendor Monitoring Worksheet.

e) Section 4: Review of WIC Drafts

- (1) Ask to review drafts on hand (drafts in the registers and those prepared for deposit).
- (2) Verify that dollar amounts and participant/proxy signatures are present, that dollar amounts are recorded in permanent ink and that drafts were accepted within valid use dates.



- (3) If redeemed drafts are found without a dollar amount or participant signature, confiscate the drafts and provide a receipt. See Attachments. Notify the State WIC Vendor Compliance Manager.

f) Section 5: Stock Information

- (1) Minimum Stock. Verify that minimum stock requirements are met. Do not estimate. Indicate whether minimum stock requirements are met for each food item. If the minimum stock requirement is not met for an item, indicate the quantity available.
 - (a) Foods that are expired or otherwise not fresh are not counted in meeting the minimum stock requirement.
 - (b) WIC authorized foods must be in the customer area of the store to meet the minimum stock requirement. They may not be brought in to the customer area during the visit to meet the requirement.
 - (c) A sign posted where infant formula would normally be located in the customer area of the store informing participants where infant formula is available is acceptable.
 - (2) Prices. Determine if prices are posted near the product or the items are marked. List foods that were not marked or did not have prices posted.
 - (3) Outdated WIC Foods. Determine if any WIC foods are past the expiration date or are not fresh.
 - (a) For foods that do not have easy-to-read expiration dates, consult the guide for interpreting manufacturers' date coding information. See attachments.
 - (b) For foods that are past the expiration date or not fresh, indicate the name of the item, quantity expired or not fresh, and the expiration date or description of the problem.
 - (c) Expired infant formula found on the shelves, including non-contract formula, is a violation of state health protection laws and is, therefore, a Class B offense.
- g) Monitoring Results and Actions: Review all findings to determine whether offenses have occurred. Offenses occurring on two or more occasions during a contract period may result in suspension from the WIC Program.



- (1) If a Class A offense is found during the monitoring visit, note on the Worksheet.
 - (a) Do not discuss Class A offenses with the vendor.
 - (b) If a Class A offense(s) is found during the compliance buy, leave the store upon completion of the compliance buy. Contact the Vendor Compliance Manager to discuss the offenses.
 - (c) Review types and classes of offenses on pages 19-23 of the Vendor Manual. Class A offenses include intentionally entering a dollar amount on a draft that is higher than the actual retail price of items purchased, and charging for foods not received by the participant.
- (2) Multiple class offenses at a visit are counted as one offense in the class.
- (3) Review findings with the owner or manager (if neither is available, see the head cashier).
- h) Conduct training (if offenses occurred)
 - (1) Training is required for first the Class B offense and first Class C offense.
 - (2) Training should be conducted immediately if the owner, manager, or head cashier is present. Schedule a training if none of the above persons are present at the time of the monitoring.
 - (3) Training may be brief but must include:
 - (a) Identification of offenses and sanctions. Stress the seriousness of offenses at the first visit.
 - (b) Importance/effect on the WIC Program.
 - (c) How to appropriately remedy the situation. Inform the vendor that it is his or her responsibility to train store personnel on WIC requirements.
 - (4) Complete required WIC Vendor Training Proof of Participation. The original (white) must be sent to the State WIC Vendor Management Unit. Pink copy goes to the vendor. Yellow copy stays with the project.
 - (5) Local projects may, but are not required to, provide training for cashiers or other store employees.



4. Dispose of foods purchased during the monitoring visit.
 - a) Use for nutrition education purposes
 - b) Use infant formula as emergency stock
 - c) Donate foods to food pantry
5. A Vendor Monitoring Results form (DOH 4004 A and B) is sent to the vendor to review the results of the monitoring visit. DOH 4004A is for monitoring visits at which offenses are found. DOH 4004B is for monitoring visits at which no offenses are found. Select the appropriate form based on the outcome of the monitoring visit. The completed form must be mailed to the vendor within ten working days after the monitoring visit.
 - a) Review the Vendor Monitoring Results form carefully before sending the Vendor Monitoring Results form to the vendor.
 - (1) Make sure all sections of the form have been completed.
 - (2) Make sure the monitoring results that are indicated on the form match the monitoring results that are indicated on the monitoring worksheet.
 - (3) If training was/will be provided, make sure the date of the training is on the form.
6. Send materials to the Vendor Management Unit by April 15th of each year.
 - a) Original copy of monitoring worksheet (attach cash register receipt)
 - b) Original copy of training proof of participation form (required after 1st offense)
 - c) Original copy of vendor monitoring results form

E. FOLLOW-UP MONITORING

Follow-up monitoring is required after a Class B offense at random monitoring or when requested by the Vendor Management Unit. Allow 6-8 weeks between random and follow-up monitoring visits.

1. Completion of the Vendor Monitoring Worksheet (DOH 4003) is required. Complete all sections of the worksheet to determine if other offenses have occurred. Reviewing all sections provides the best indicator of whether the vendor is complying in all program areas.



Vendor Management

2. Training is recommended after the second Class C offense. The content of training and documentation are the same as for random monitoring.
3. The Vendor Monitoring Results form must be sent to the vendor, using the same guidelines as with the random monitoring.
4. Send Materials to the Vendor Management Unit by June 15th of each year.
 - a) Original copy of monitoring worksheet (attach cash register receipt)
 - b) Original copy of training proof of participation form (if conducted)
 - c) Original copy of vendor monitoring results form

ATTACHMENTS

Vendor Monitoring Worksheet (DOH 4003)

Vendor Monitoring Results forms (DOH 4004 A and B)

Guide for interpreting manufacturers' date coding information

Wisconsin WIC Program Receipt for Confiscated Drafts